



FINANCIAL AID DEVELOPMENTS

By Kim Slote, policy analyst

IRS WARNING

On May 31, 2016, the USDE published an [Electronic Announcement](#): IRS Warning of a “Federal Student Tax” Scam. The scam involving a bogus “Federal Student Tax” is currently presented through “phone calls from IRS impersonators demanding payment for a non-existent tax”. The electronic announcement provides a link to the IRS statement on the irs.gov website that gives information on the scam, how students and taxpayers can protect their information and how the IRS is responding to the issue.

GAINFUL EMPLOYMENT

Several Electronic Announcements and two Dear Colleague Letters were published in June 2016 regarding Gainful Employment. Links to these announcements with dates of publication on IFAP are as follows:

- [Gainful Employment Electronic Announcement #79 – GE Completers List Viewer Tool and Import Tool Now Available – June 1, 2016](#)
- [Gainful Employment Electronic Announcement #80 – Additional Information for Institutions Reviewing Draft GE Completers List Files – June 8, 2016](#)

- [Gainful Employment Electronic Announcement #81 – GE Completers List Corrections Period: June 14 to July 28, 2016 – June 10, 2016](#)
- [Dear Colleague Letter ANN-16-10: Webinar Recording – Gainful Employment: Reading Your Draft GE Completers List Files – June 13, 2016](#)
- [Gainful Employment Electronic Announcement #82 – Reminder: GE Completers List 45-Day Corrections Period Ends July 28, 2016 – June 14, 2016](#)
- [Dear Colleague Letter ANN-16-11: Webinar Recording – Gainful Employment: Submitting GE Completers List Corrections – June 22, 2016](#)
- [Gainful Employment – Frequently Asked Questions – June 22, 2016](#)

DIRECT LOAN PROGRAM

The USDE published an [Electronic Announcement](#) June 2, 2016: Operational Guidance for Direct Loan Origination Fee Change Oct. 1, 2016. This announcement provides a reminder to schools on how the Common Origination and Disbursement System processes Direct Loans with the new origination fees and how to correct records if necessary. The new origination fees were



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a result of sequester required changes first announced in Dear Colleague Letter [GEN-16-11](#) published May 31, 2016.

On June 30, 2016, the USDE published an [Electronic Announcement](#): Additional 2014-2015 Direct Loan Program Year Closeout Information. The announcement provides important reminders and outlines school responsibilities related to Direct Loan closeout for the 2014-2015 program year. The deadline for the Direct Loan closeout for the 2014-2015 program year is 8:00 P.M. (ET) Friday, July 29, 2016. For more information regarding the Direct Loan closeout process, review the questions and answers provided in the announcement.

TEACH GRANT CLOSEOUT

An [Electronic Announcement](#) was published by the USDE June 2, 2016: TEACH Grant Closeout Information for 2015-2016 Award Year. The deadline is Friday, Sept. 30, 2016, for closeout of the Teacher Education Assistance for College and Higher Education Grant. All school data must be received and accepted by this date, to include requesting funds in G5, for information to be included in a school's final Ending Cash Balance for the year. Schools should communicate regularly with their third party servicer to ensure closeout is completed timely. Additional instructions

and important reminders are given in this announcement.

REFERENCE GUIDES

The updated reference guides below were published by the USDE in the month of June. The guides listed are linked with the corresponding electronic announcement with the date of publication.

- [2016-2017 COD Technical Reference \(June 2016 Update\) – June 7, 2016](#)
- [Volume 5 – Withdrawals and the Return of Title IV Funds \[2016-2017 Federal Student Aid Handbook\] – Withdrawals and the Return of Title IV Funds – June 7, 2016](#)
- [Volume 2 – School Eligibility and Operations \[2016-2017 Federal Student Aid Handbook\] – June 16, 2016](#)
- [Volume 1 – Student Eligibility \[2016-2017 Federal Student Aid Handbook\] – June 23, 2016](#)
- [The Handbook for Campus Safety and Security Reporting – June 23, 2016](#)
- [2017-2018 CPS Test System User Guide Available on FSAdownload Website – June 27, 2016](#)



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CAMPUS-BASED PROGRAMS

On June 7, 2016, the USDE published an [Electronic Announcement](#): Notification of Campus-Based Funding for the 2016-2017 Award Year. The [report](#) that notifies the community of approved awards for the Federal Work-Study, Federal Supplemental Educational Opportunity Grant and Federal Perkins Loan programs has been posted for the 2016-2017 Award Year. States and territories are listed in the report in alphabetical order. For quick access to the state of interest, use the interactive table of contents. Schools that became eligible for awards after the reports were produced will not be reflected in this notification.

An [Electronic Announcement](#) was published by the USDE June 16, 2016: Final FISAP Form, Instructions, Desk Reference and Technical Reference for FISAP Due by Sep. 30, 2016 (Updated June 28, 2016). The Fiscal Operations Report for 2015-2016 and Application to Participate for 2017-2018 was approved by the Office of Management and Budget and is now available on the [Information for Financial Aid Professionals eCampus-Based Website](#). The announcement provides information on updates and outlines changes to the form and instructions.

INSTITUTIONAL STUDENT INFORMATION RECORD

The USDE published an [Electronic Announcement](#) June 8, 2016: Changes to the Listing of Colleges on 2017-2018 ISIRs Provided to State Grant Agencies. The implementation of the randomization of the colleges listed by the student on the Institutional Student Information Record will be delayed one year. Starting with the 2018-2019 award year, the full list of colleges will be given in random order to the state grant agencies. This should allow state grant agencies to make necessary systems and administrative modifications related to the randomization of college order.

TECHNICAL

An [Electronic Announcement](#) was published by the USDE June 10, 2016: Availability of Direct Loan Tools for Windows, Release 16.0. This supplemental software product for Direct Loan participants is available for download at <https://fsadownload.ed.gov>. The following DL Tools Release 16.0 user documentation is also available on the FSA download website.

- DL Tools, Release 16.0 Cover Letter (provides information regarding enhancements available in Release 16.0)



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- DL Tools, Release 16.0 Installation Guide (provides technical guidance regarding installing and using Release 16.0)
- Volume IV (DL Tools) of the 2016-2017 COD Technical Reference (includes external import record layouts and other information for system administrators)

The USDE published an [Electronic Announcement](#) June 21, 2016: 2017-2018 Application Processing System Specifications for Software Developers (June Draft). The draft Application Processing System Specifications for Software Developers has been posted for the 2017-2018 cycle. The draft 2017-2018 ISIR layouts are included in the draft 2017-2018 EDE Technical Reference now available on the [FSAdownload website](#). Updates will be sent until testing of these specifications is completed in Oct. 2016.

HOMELESS YOUTH

On June 10, 2016, the USDE published an [Electronic Announcement](#): Availability of the “Federal Student Aid and Homeless Youth” Fact Sheet on Studentaid.gov and Important Reminders for Financial Aid Administrators. The [fact sheet](#) is designed to help homeless students understand the information they need to apply for federal

student aid. It is written in question and answer format and is attached to this announcement. Information is also provided in the announcement for financial aid administrators to remind them of previous guidance published by the USDE.

INTEREST RATES

A [Federal Register Notice](#) was issued by the USDE June 13, 2016: Annual Notice of Interest Rates of Federal Student Loans Made Under the William D. Ford Federal Direct Loan Program on or after July 1, 2016. A table of Direct Loan interest rates for 2016-2017 is included in this announcement, showing the 10-Year Treasury Note Index and Add-On that make up the fixed rates below.

- Direct Subsidized Loans 3.76%
(Undergraduate)
- Direct Unsubsidized Loans 3.76%
(Undergraduate)
- Direct Unsubsidized Loans 5.31%
(Graduate/Professional)
- Direct Plus Loans 6.31%
(Parent Plus/Grad Plus)

PROGRAM INTEGRITY Q&A

The USDE published an [Electronic Announcement](#) June 14, 2016: Program Integrity Questions and Answers (Q&A)



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Website Update. The portions of the website recently updated include; documenting high school completion status, acceptable documentation for FAFSA information selected for verification and general questions. To view updates go to the [Program Integrity Website](#) and look for bolded revised dates on the questions and answers under applicable topics that have been modified.

EARLY FAFSA

An [Electronic Announcement](#) was published by the USDE June 14, 2016: Early FAFSA Electronic Announcement #7: Availability of Federal Student Aid Resources for the 2017-2018 FAFSA. To help support institutions outreach to students and families, FSA has recently posted a PDF titled [Federal Student Aid Resources for the 2017-2018 FAFSA](#). This document is located on the [Financial Aid Toolkit](#) website.

BORROWER DEFENSE TO REPAYMENT

A [Federal Register Notice](#) was issued by the USDE June 16, 2016: Notice of Proposed Rulemaking on the Borrower Defense to Repayment Regulations under Title IV of the Higher Education Act of 1965, as amended. The USDE proposes to amend

regulations governing the Direct Loan Program to establish a new federal standard and process for determining if a borrower has a defense to repayment based on an act or omission by a school. Other proposed changes are outlined in the associated [Electronic Announcement](#) published June 16, 2016 that involve the Student Assistance General Provisions, the Direct Loan, Federal Perkins Loan, Federal Family Education Loan and Teacher Education Assistance for College and Higher Education Grant Programs. Comments must be submitted on or before Aug. 1, 2016.

The USDE issued a [Federal Register Notice](#) June 27, 2016: Comment Request: Application for Borrower Defense to Loan Repayment Form. Comments on the proposed new information collection must be submitted on or before Aug. 26, 2016.

FSA DATA CENTER

On June 16, 2016, the USDE published an [Electronic Announcement](#): Federal Student Aid Posts Updated Reports to FSA Data Center. The [FSA Data Center](#) is a centralized online source for Federal Student Aid data. The application, loan, grant and portfolio reports are updated by Federal Student Aid quarterly. The announcement outlines the reports available, along with several key findings based on those reports.